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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/816,265	03/31/2004	William Gene Durbin	CYGL-26,658	9830
25883	7590	03/09/2006	EXAMINER	
HOWISON & ARNOTT, L.L.P			NGUYEN, KIMBERLY D	
P.O. BOX 741715			ART UNIT	PAPER NUMBER
DALLAS, TX 75374-1715			2876	

DATE MAILED: 03/09/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/816,265

Applicant(s)

DURBIN ET AL.

Examiner

Kimberly D. Nguyen

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-10 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-5 and 7-10 is/are rejected.
- 7) ☒ Claim(s) 6 is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. ____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>4/20/05</u> . | 6) <input type="checkbox"/> Other: ____. |

DETAILED ACTION

Claim Rejections - 35 USC § 102

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2. Claims 1-4 and 7-10 are rejected under 35 U.S.C. 102(e) as being anticipated by Bedell, Jr. et al. (US 2005/0006471 A1; hereinafter “Bedell, Jr.”).

Re claims 1, 3-4, and 7-10: Bedell, Jr. teaches a magnetic stripe card reader for reading a magnetic stripe on a card (17 in fig. 1) having at least one track (01, 02, 03 in fig. 1) of magnetically stored information stored thereon as a stream of encoded discrete data bits separated by bit times, comprising:

a magnetic head (7 in fig. 1) for reading the magnetic pulses as the magnetic stripe is passed thereby to output a time varying analog signal (paragraphs 16-21);

a data converter (9 in fig. 1) incorporated on an integrated circuit for converting the analog signal to a digital time series of digital values (paragraphs 16-21);

a processor (15 in fig. 1) incorporated on said integrated circuit for processing said digital output of said data converter and operable to:

determining potential bit boundaries (bit-encoding, bit-framing),

recover timing information from said digital time series to discriminate the bit times between data bits (clock-1, clock-2, clock-3; paragraphs 17-23), and

determining the value of each data bit during each bit time to provide a stream of extracted data bits (paragraphs 15-56).

Re claim 2: Bedell, Jr. teaches wherein the processor is further operable to decode the stream of extracted data bits to provide decoded information, the processor having a communication circuit associated therewith and incorporated on the integrated circuit and operable to interface with an external system for transfer of data thereto (paragraphs 16, 34, 47).

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claim 5 is rejected under 35 U.S.C. 103(a) as being unpatentable over Bedell, Jr. in view of Coker, Jr. et al. (US 3,571,799; hereinafter "Coker, Jr."). The teachings of Bedell, Jr. have been discussed above.

Bedell, Jr. fails to teach or fairly suggest the data bits are stored on the magnetic stripe as a series of positive and negative magnetic pulses and the processor includes a peak detector for detecting the presence of a magnetic pulse in the analog signal after conversion to the digital domain (col. 4, line 42 through col. 5, line 45).

It would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to incorporate the data bits are stored on the magnetic stripe as a series of positive and negative magnetic pulses and the processor includes a peak detector for detecting the presence of a magnetic pulse in the analog signal after conversion to the digital domain as

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taught by Coker, Jr. to the teachings of Bedell, Jr. in order to directly store data on the magnetic card.

Allowable Subject Matter

5. Claim 6 is objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

6. The following is a statement of reasons for the indication of allowable subject matter:

The best prior art of record fails to teach or fairly suggest wherein the processor is further operable to filter the digital values with a low pass filter prior to processing by the peak detector.

Conclusion

Examiner's note: Examiner has cited particular columns and line numbers in the references as applied to the claims above for the convenience of the applicant. Although the specified citations are representative of the teachings of the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant in preparing responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kimberly D. Nguyen whose telephone number is 571-272-2402.

The examiner can normally be reached on Monday-Friday 7:30-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael G. Lee can be reached on 571-272-2398. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

A handwritten signature in black ink, appearing to read "KDN", with a long horizontal flourish extending to the right.

KDN

March 4, 2006